



GLOBAL COMPETITIVENESS OF U.S. FRUITS AND VEGETABLES



Prepared for: The Fruit and Vegetable Industry
Advisory Committee



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Working Group.



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Current Business Climate

- Consumer demand for a wide variety of fresh produce year round
- Continuing consolidation of retail and foodservice purchasers
- Continual evolution of consumer preferences

Task of Group

- Change is inevitable
- We need to proactively influence it



Strengths of U.S. producers/industry

- Technology
- Productivity
- Access to the U.S. market
- Ability to develop new products - Niche to mainstream (kiwifruit, clementines, etc.)
- Infrastructure and logistics
- Academia
- Government oversight
- Diversity



Weaknesses of U.S. producers/industry

- Industry fragmentation across regions and commodities
- Costs
- Industry attitudes – we can be very complacent
- Labor
- Lack of research
- Fuel costs
- Misinformed media (food safety)



Opportunities for U.S. producers/industry

- Export markets – U.S. accounts for 5% of world population.
- New and/or improved products
- Health benefits
- Generic advertising
- Understanding the new business model





Threats to U.S. producers/industry

- Foreign competition
- Cheaper labor
- Hungrier for market share
- Climate
- Special interest groups
- Land use
- Adverse legislation/regulation



**Here are some things that we
are already doing to enhance
competitiveness:**



Agricultural Marketing Service

- Daily market news reporting
- Informational services
- PACA
- Grade standards and market inspections

Extension service

- Communicating research results to growers
- General information and services





Foreign Agricultural Service

- Information on competition
- Information on trade barriers
- Information of foreign consumer markets



Other

- Private product and brand development
- Academia – research and verification
- National trade association efforts
- United Fresh Produce Association
- Produce Marketing Association



**So, let's begin the discussion
on how we might overcome
the challenges to the industry.**

How do we bring the industry together to work cohesively?

- Generic advertising
- Food safety best practices
- Get our message out to the consumer and the media
- Strengthen the “weakest link” on food safety
- Bring together trade associations






How do we open up foreign markets?

What tools do we need?

- FAS staff to precisely identify trade barriers
- FAS staff to better alert industry to market opportunities
- USDA support on phytosanitary issues
- International dispute resolution / credit issues



How can we align federal nutrition programs with USDA dietary guidelines?

- Minimize restrictions on purchases for federal programs in order to allow the most effective use of available funds from a nutrition standpoint
- Minimize targeting of specific commodity purchases to ensure broad industry support for programs

Others issues

- How do we deal with special interest groups?
- How do we deal with urbanization of farmland?
- How do we deal with water issues?
- How do we address the rising costs of production, transportation, etc.?
- How do we fund research for fresh fruits and vegetables?





OUR CHALLENGE

How do we assist U.S. growers to successfully align and coordinate with growers from around the world to ensure U.S. grower viability and relevance?